



# Draft FY 2022 – 2027 Commonwealth Transportation Fund (CTF) Six-Year Financial Plan

## Draft FY 2022 CTF and VDOT Budgets

Laura Farmer, Chief Financial Officer

April 20, 2021

# Commonwealth Transportation Fund (CTF)

## Draft Fiscal Years 2022 – 2027 Six-Year Financial Plan Overview

- ❑ The Six-Year Financial Plan (SYFP) identifies the planned funding for allocation to Highways, Rail, Transit, Ports, Aviation, DMV, and Space Flight
- ❑ The Preliminary Fiscal Years 2022 – 2027 SYFP allocates \$46.1 billion
- ❑ Includes the use of bond proceeds totaling \$1.2 billion, representing GARVEE and Route 58 Corridor Bonds. I-81 Debt will be reflected in the Final Plan
- ❑ Transfers \$4.7 billion to the three regions for transportation improvements and \$695 million in dedicated revenue for WMATA Capital Fund
- ❑ Includes \$376 million of dedicated fuel tax revenue for the I-81 Corridor Improvements
- ❑ Dedicates \$14.3 billion for Maintenance and Operations
- ❑ Provides \$13.7 billion for Construction
  - Approximately \$3.9 billion of Construction Funding represents Local and Regional Funding for Projects
- ❑ Reflects actions of 2021 General Assembly Session

# Commonwealth Transportation Fund Revenue Updates

- ❑ **State funding updates in fiscal years 2021 and 2022, net increase of \$127.7 million**
  - ❑ Decreased revenue expectations for Motor Fuel Tax revenue by \$80.6 million for the biennium
  - ❑ Reset expectations for the Road Tax performance, increasing the estimate by \$36.6 million for the biennium
  - ❑ Increased Retail Sales and Use Tax estimate by \$171.8 million for the biennium
- ❑ **Provides opportunity to restore omnibus investments toward full formula implementation in FY 2024**
  
- ❑ **Federal Revenue updates for Highway Infrastructure Program funds made available in Coronavirus Response and Relief Supplemental Appropriations Act and the DOT Appropriations Act**

# Planned Omnibus Investments

Omnibus Investments possible with additional state revenue made available.

Directed allocations for remaining funding in FYs 2021 – 2023 to phase in commitments anticipated from omnibus legislation

<i>(in millions)</i>	FY 2022		FY 2023
	Previous	Current	Previous/Current
Special Structures*	\$5.0	\$60.0	\$80.0
Virginia Highway Safety Improvement Program	10.0	15.0	12.5
District Grant Program	5.0	7.5	7.5
High Priority Projects Program	5.0	7.5	7.5
Ports	-	2.5	3.0
Aviation	-	0.8	1.0
Space	-	0.8	1.0

<i>(in millions)</i>	FY 2022		FY 2023
	Previous	Current	Previous/Current
PRIIA Match	\$50.0	\$50.0	\$50.0
Operating	4.0	4.0	12.5
WMATA	4.0	6.0	12.1
Ridership Incentive	5.0	10.0	15.0
Rail	10.0	44.5	27.5
Capital	0.8	12.2	12.5
DMV	-	5.8	7.5

\* Special Structures amount in FY 2023 prescribed by the Code of Virginia § 33.2-1524, C.

# 2021 Transportation Initiative

Sources	Amount (in millions)
General Fund	\$55.0
Uncommitted TPOF Funding	20.0
Uncommitted Access Program Funding	15.0
Federal – Highway Infrastructure Program - CRRSAA - Any Area	214.4
Federal – Highway Infrastructure Program and Bridge Replacement Funding	19.0
<b>TOTAL</b>	<b>\$323.4</b>

Uses Project/Effort (in millions)	Federal	State	Total
Intercity Passenger Rail from Roanoke to Blacksburg/Christiansburg	\$83.5	-	<b>\$83.5</b>
Improve commuter rail service on the VRE Manassas Line	83.5		<b>83.5</b>
Improvements to the I-64 Corridor - (1) HRELN, (2) improvements between exit 205 to 234	56.5	36.6	<b>93.1</b>
WMATA Capital for FY 2022		32.4	<b>32.4</b>
Regional trails	3.6	6.4	<b>10.0</b>
Pilot programs for fare-free transit with urban and rural providers		10.9	<b>10.9</b>
Redevelopment demonstration program - Falls Church	6.4	3.6	<b>10.0</b>
<b>TOTAL</b>	<b>\$233.4</b>	<b>\$90.0</b>	<b>\$323.4</b>

*Estimated distribution based on current understanding of project eligibility*

# Commonwealth Transportation Fund (CTF) Revenue Estimate

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	TOTAL
<b>Sources of Funds</b>							
Retail Sales and Use Tax	\$ 1,214.7	\$ 1,157.5	\$ 1,184.4	\$ 1,243.9	\$ 1,303.9	\$ 1,339.2	\$ 7,443.6
Motor Vehicle Sales and Use Tax	899.6	983.6	982.8	1,025.1	1,057.3	1,009.6	5,958.0
Motor Fuels Tax	1,238.5	1,345.4	1,377.1	1,392.4	1,412.5	1,447.6	8,213.5
Aviation Fuels Tax	2.0	2.0	2.0	2.0	2.0	2.0	12.0
Road Tax	47.2	27.5	28.3	28.3	28.3	28.3	187.9
International Registration Plan	73.9	73.8	72.2	69.2	69.6	69.9	428.6
Registration Fees	202.9	202.9	206.0	206.9	207.8	207.4	1,233.9
State Insurance Premium Tax	171.8	177.5	184.3	190.8	197.0	203.2	1,124.6
Recordation Tax	57.0	57.0	57.0	57.0	57.0	57.0	342.0
Vehicle Rental Tax	29.7	31.1	31.6	32.1	32.7	33.2	190.4
Highway Use Fee	46.6	53.1	53.1	53.1	53.1	53.1	312.1
<b>Total Commonwealth Transportation Fund</b>	<b>\$ 3,983.9</b>	<b>\$ 4,111.4</b>	<b>\$ 4,178.8</b>	<b>\$ 4,300.8</b>	<b>\$ 4,421.2</b>	<b>\$ 4,450.5</b>	<b>\$ 25,446.6</b>

*December 2020 Forecast; FYs 2021 and 2022 updated mid-General Assembly Session for Retail Sales and Use Tax, Motor Fuels Tax and Road Tax*



# Commonwealth Transportation Fund Draft Fiscal Years 2022 – 2027 Six-Year Financial Plan Estimated Revenues (in millions)

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2022-2027 Total
<b>State Transportation Revenues</b>							
Commonwealth Transportation Fund	\$ 4,205.5	\$ 4,111.4	\$ 4,178.8	\$ 4,300.8	\$ 4,421.2	\$ 4,450.5	\$ 25,668.2
Prior year funding	-	191.4	-	-	-	-	191.4
Local & Regional Project Participation/Revenue	895.2	929.2	896.9	879.7	189.7	161.5	3,952.2
Other Revenue	441.6	435.3	459.3	414.5	417.8	424.3	2,592.9
<b>Total</b>	<b><u>5,542.3</u></b>	<b><u>5,667.3</u></b>	<b><u>5,535.0</u></b>	<b><u>5,595.0</u></b>	<b><u>5,028.7</u></b>	<b><u>5,036.3</u></b>	<b><u>32,404.6</u></b>
<b>Federal Revenues</b>	<b><u>1,363.4</u></b>	<b><u>1,122.7</u></b>	<b><u>1,140.6</u></b>	<b><u>1,158.8</u></b>	<b><u>1,177.4</u></b>	<b><u>1,196.2</u></b>	<b><u>7,159.1</u></b>
<b>Total Revenues</b>	<b><u>6,905.7</u></b>	<b><u>6,790.0</u></b>	<b><u>6,675.6</u></b>	<b><u>6,753.8</u></b>	<b><u>6,206.0</u></b>	<b><u>6,232.5</u></b>	<b><u>39,563.8</u></b>
<b>Other Financing Sources</b>							
GARVEE Bonds	76.3	100.0	125.0	134.0	137.1	149.0	721.4
Route 58	218.4	-	152.2	74.2	-	-	444.8
<b>Total</b>	<b><u>294.7</u></b>	<b><u>100.0</u></b>	<b><u>277.2</u></b>	<b><u>208.2</u></b>	<b><u>137.1</u></b>	<b><u>149.0</u></b>	<b><u>1,166.2</u></b>
<b>Total Operating Revenues and Other Financing Sources</b>	<b><u>\$ 7,200.4</u></b>	<b><u>\$ 6,890.0</u></b>	<b><u>\$ 6,952.8</u></b>	<b><u>\$ 6,962.0</u></b>	<b><u>\$ 6,343.1</u></b>	<b><u>\$ 6,381.5</u></b>	<b><u>\$ 40,730.0</u></b>
<b>Pass Through Revenues</b>							
Regional Transportation Funds	732.8	751.8	767.6	798.7	830.5	850.9	4,732.3
WMATA Capital Fund Revenue	110.0	115.6	116.2	117.0	117.8	118.5	695.1
<b>Grand Total</b>	<b><u>\$ 8,043.2</u></b>	<b><u>\$ 7,757.4</u></b>	<b><u>\$ 7,836.6</u></b>	<b><u>\$ 7,877.7</u></b>	<b><u>\$ 7,291.5</u></b>	<b><u>\$ 7,350.9</u></b>	<b><u>\$ 46,157.4</u></b>

*Local & Regional Project Participation includes HRTAC's funding for the HRBT Expansion Project through FY 2025*



# Commonwealth Transportation Fund Preliminary Fiscal Years 2022 – 2027 Six-Year Financial Plan Estimated Allocations (in millions)

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2022- 2027 Total
Debt Service	\$ 401.7	\$ 425.4	\$ 436.7	\$ 446.9	\$ 464.7	\$ 475.4	\$ 2,650.7
Other Agencies & Transfers	50.6	51.8	52.1	53.3	53.6	54.9	316.4
Maintenance & Operations	2,233.2	2,327.6	2,363.7	2,415.3	2,469.9	2,528.0	14,337.7
Administration & Other Programs	543.9	502.8	511.8	525.1	519.8	533.0	3,136.4
Toll Programs	70.9	97.6	99.3	100.9	102.5	104.1	575.2
Special Structures	60.0	80.0	82.1	84.0	86.0	87.9	480.0
Public Transportation	509.9	516.0	534.9	522.6	535.7	539.1	3,158.2
Virginia Passenger Rail Authority	361.4	161.5	176.5	164.0	169.4	170.6	1,203.5
DRPT Rail Assistance	15.7	13.9	14.4	14.6	14.9	14.7	88.2
DRPT Administration	17.5	17.8	20.8	21.5	22.2	22.3	122.2
Port Trust Fund	47.8	49.1	49.3	50.8	52.3	52.6	301.9
Airport Trust Fund	26.7	27.4	29.6	30.5	31.4	31.6	177.1
Commonwealth Space Flight Fund	16.6	16.8	19.6	20.2	20.8	20.9	114.9
Department of Motor Vehicles	19.7	21.4	24.6	25.2	25.8	25.9	142.8
Construction	2,760.4	2,541.3	2,498.0	2,447.4	1,734.7	1,681.0	13,662.7
<b>Total Operating Programs</b>	<b>\$ 7,135.9</b>	<b>\$ 6,850.5</b>	<b>\$ 6,913.3</b>	<b>\$ 6,922.5</b>	<b>\$ 6,303.6</b>	<b>\$ 6,342.0</b>	<b>\$ 40,468.0</b>
Pass Through Programs							
WMATA Dedicated	154.5	135.1	135.7	136.5	137.3	138.0	837.1
Central Virginia Transportation Fund	200.3	205.7	210.0	218.1	226.6	232.4	1,293.1
Northern Virginia Transportation Authority Fund	317.0	324.5	330.9	345.1	359.5	367.9	2,044.9
Hampton Roads Regional Transit Fund	32.3	32.6	33.0	33.4	33.5	33.5	198.3
Hampton Roads Transportation Fund	203.2	209.0	213.7	222.1	230.9	237.1	1,316.0
<b>Subtotal</b>	<b>907.3</b>	<b>906.9</b>	<b>923.3</b>	<b>955.2</b>	<b>987.8</b>	<b>1,008.9</b>	<b>5,689.4</b>
<b>Total</b>	<b>\$ 8,043.2</b>	<b>\$ 7,757.4</b>	<b>\$ 7,836.6</b>	<b>\$ 7,877.7</b>	<b>\$ 7,291.5</b>	<b>\$ 7,350.9</b>	<b>\$ 46,157.4</b>



# Assumptions for Highway Construction Programs

- ❑ Revenue Sharing Program includes the re-allocation of funds over fiscal years 2022 – 2024 as granted by the flexibility. Funds available in FYs 2025 – 2027 are \$100 million annually.
- ❑ The Innovation and Technology Transportation Fund (ITTF) funding from the High Priority Projects Program for FY 2026 and FY 2027 is \$25 million annually
- ❑ Unpaved Roads funding for FY 2026 and FY 2027 is \$25 million annually from the District Grant Program

# Assumptions for Highway Construction Programs

Based on the updated revenue and programmatic assumptions noted:

- The adjustments to State of Good Repair reflect an estimated \$29.4 million reduction over the six-year period.
- The adjustments to SMART SCALE categories reflect reduced allocations of \$40.6 million
  - (\$18.3 million) for High Priority Projects
  - (\$22.3 million) for District Grant Program
- The adjustments to the Interstate Operations and Enhancement Program reflect an reduction of \$19.5 million
- Funds available for the Virginia Highway Safety Improvement Program reflect reduction of \$8.7 million

# Commonwealth Transportation Fund FY 2022 Draft Budget

**CTF Revenues total \$8.0 billion**

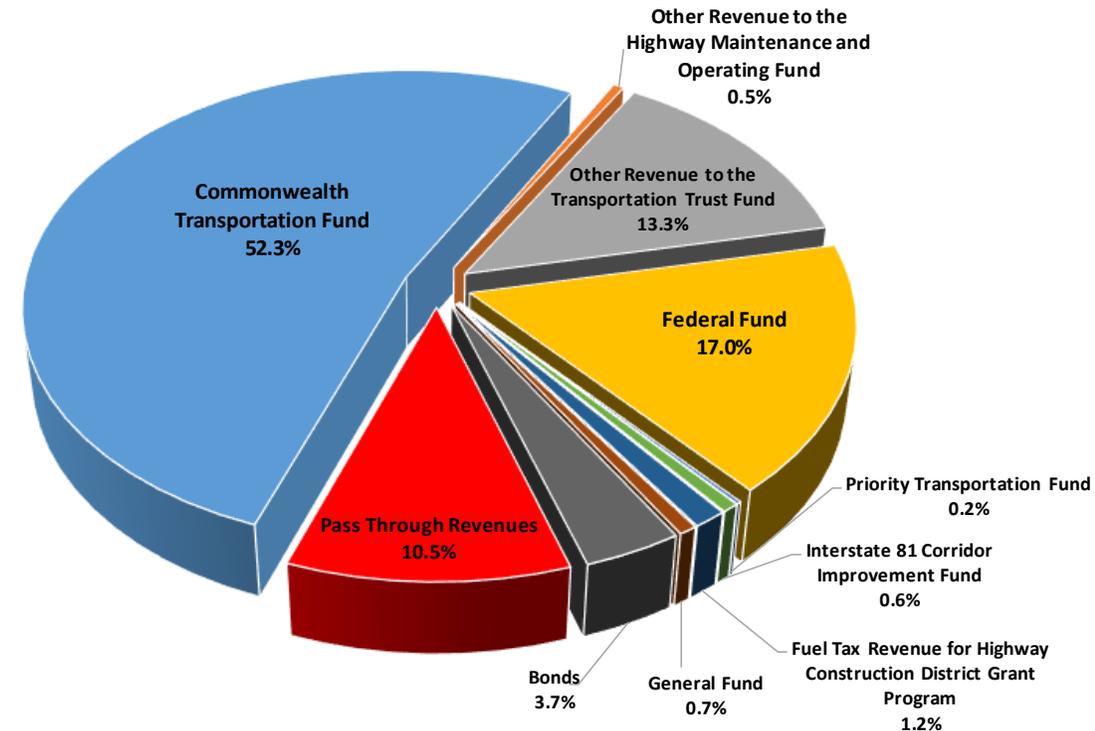
In comparison, total operating revenues of \$7.2 billion are 1.5 percent greater than the FY 2021 Budget

*Pass Through Revenues represent 10.5 percent of total budget*

*Updates include:*

- *One-time federal and state revenues for 2021 Transportation Initiative*
- *Full year implementation of CVTA revenue*
- *Reduced project participation from regional authorities*
- *Route 58 Bonds*
- *Prior year collections*

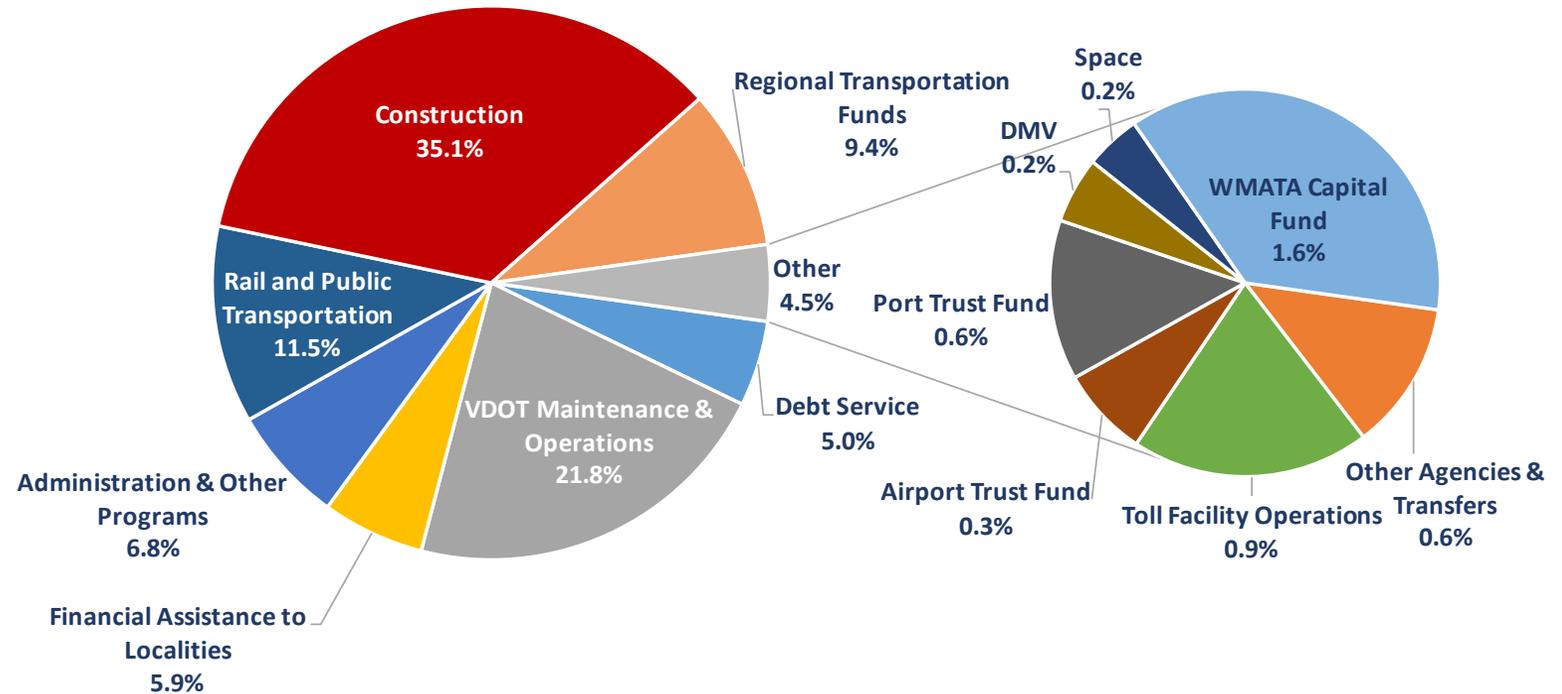
Revenue	Total Estimate
Commonwealth Transportation Fund	\$4,205.5
Other Revenue to the Highway Maintenance and Operating Fund	41.0
Other Revenue to the Transportation Trust Fund	1,073.6
Federal Fund	1,363.4
Priority Transportation Fund	14.4
Interstate 81 Corridor Improvement Fund	50.6
Fuel Tax Revenue for Highway Construction District Grant Program	100.1
General Fund	55.0
Bonds	294.7
<b>Total Operating Revenues</b>	<b>\$7,198.3</b>
<b>Pass Through Revenues</b>	
WMATA Capital Fund	112.1
Central Virginia Transportation Fund	200.3
Northern Virginia Transportation Authority Fund	297.0
Hampton Roads Transportation Fund	203.2
Hampton Roads Regional Transit Fund	32.3
<b>Subtotal</b>	<b>\$ 844.9</b>
<b>Total</b>	<b>\$8,043.2</b>



# FY 2022 Draft Recommended Allocations

- Highway Maintenance, including VDOT maintained and Locality Maintained, represents 28 percent of budget
- Highway Construction represents 35 percent of the total with support of regional / local funding
- Funding for Rail and Public Transportation is 12 percent of budget

*Excluding regional pass-through revenue and local revenue supported project funding, Construction represents 31 percent of the adjusted total. Highway Maintenance is 36 percent.*



# FY 2022 VDOT Budget Highlights

**Draft budget totals \$6.2 billion net of regional programs; grand total of \$6.96 billion**

## Program Growth

- Personal services growth rate updated to 4.9 percent over previous year due to salary and benefit changes from 2021 Session Updates**
- CPI used for nonpersonal services and Maintenance Program growth is 2.7 percent.**

**The construction fund will provide \$192 million of state funds to support the budgetary needs of the Highway Maintenance and Operating Fund (HMOF).**

# FY 2022 Draft VDOT Recommended Allocations

	(in millions)		
	FY 2021	Recommended FY 2022	Increase (Decrease)
<b>VDOT Programs</b>			
Environmental Monitoring and Evaluation (514)	\$ 40.9	\$ 44.0	\$ 3.0
Ground Transportation Planning and Research (602)	79.1	87.7	8.6
Highway Construction Programs (603)	2,987.1	2,782.2	(204.9)
Highway System Maintenance (604)	1,741.9	1,755.6	13.7
Commonwealth Toll Facilities (606)	68.6	70.9	2.2
Financial Assistance to Localities (607)			
VDOT Programs	484.3	492.5	8.2
Regional Programs	644.2	765.6	121.3
Non-Toll Supported Transportation Debt Service (612)	407.9	401.7	(6.2)
Special Structures (614)	-	60.0	60.0
Administrative and Support Services (699)	300.4	302.6	2.2
VDOT Capital Outlay (998)	64.3	60.0	(4.3)
<b>Total VDOT Programs</b>	<b>\$ 6,818.9</b>	<b>\$ 6,822.7</b>	<b>\$ 3.9</b>
Support to Other State Agencies	50.3	50.6	0.3
Support to DRPT Programs & Virginia Passenger Rail Authority	123.4	83.8	(39.6)
<b>TOTAL</b>	<b>\$ 6,992.6</b>	<b>\$ 6,957.1</b>	<b>\$ (35.5)</b>
<b>TOTAL OPERATING BUDGET (Net Regional Programs)</b>	<b>\$ 6,348.4</b>	<b>\$ 6,191.6</b>	<b>\$ (156.8)</b>

# Next Steps

- Reflect necessary adjustments in Final Six-Year Improvement Program (SYIP) for Construction Programs**
- Update Interstate 81 Corridor Projects and add Debt and Debt Service Assumptions for the Program**
- Continue analysis on current performance of toll facilities for potential revisions for final recommended budget assumptions**
- Final recommended budgets to be presented in June**